

California Road Charge Technical Advisory Committee (TAC)

Friday, November 16, 2018

10:00 AM to 12:30 PM

California Department of Transportation

Basement Conference Room

1120 N Street

Sacramento, CA 95814

AGENDA

	Agenda Item	Responsible Party	Item Status
10:00	1. Roll Call	Jim Madaffer, Chair	I
10:05	2. Public Comment*	Jim Madaffer	I
10:15	3. Approval of Minutes for April 20, 2018 TAC Meeting and Review of April Action Items	Jim Madaffer	A
10:20	4. Member Reports	Jim Madaffer	I
10:30	5. Overview of Today's Meeting	Jim Madaffer	I
10:40	6. Senate Bill 1328 (Beall) and Discussion on Possible Road Charge TAC Focus Topics in 2019	Jim Madaffer Garth Hopkins-CTC Jofil Borja-CTC	I
11:05	7. Approval of 2018 Road Charge Legislative Recommendations	Garth Hopkins	A
11:20	8. Update on Research to Assess Fees on Zero-Emission and Low-Emission Vehicles for Transportation Improvements	Alan Jenn UC Davis Institute of Transportation Studies	I

11:35	9. Caltrans Road Charge Program Update <ul style="list-style-type: none"> • Update on Federal FAST Act Grants • Road Usage Charge (RUC) West Update 	Brady Tacdol Caltrans	I
11:55	10. Approval of 2019 Road Charge TAC Meeting Dates	Garth Hopkins	A
12:00	11. Review of Action Items	Jim Madaffer Garth Hopkins	A
12:10	12. Public Comment*	Jim Madaffer	I
12:30	13. Adjourn	Jim Madaffer	

* Public Comment: Persons attending the meeting who wish to address the Committee on agenda or non-agenda items are asked to complete a Speaker Request Card and give it to the Executive Assistant prior to the start of the meeting. Public Comment for agenda items will be heard during the Committee's consideration of those items and Public Comment for non-agenda items will be heard at the end of the meeting. Typically, public comment will be limited to two minutes per person; however, the Chair may decide to shorten or lengthen the public comment period at his or her discretion. Agenda items may be taken out of order.

Reasonable Accommodation: Any individual with a disability who requires reasonable accommodation to attend or participate may request assistance by contacting the Commission at (916) 654-4245. Requests for reasonable accommodations should be made as soon as possible, but at least five days prior to the scheduled meeting.

CTC- California Transportation Commission

Caltrans- California Department of Transportation

To view the live webcast of this meeting, please visit: <http://ctc.dot.ca.gov/webcast>

Road Charge Technical Advisory Committee Roster – 2018

Name	Organization	Title	Area of Representation
Jim Madaffer (Chair)	California Transportation Commission	Commissioner	California Transportation Commission
Stephen Finnegan (Vice-Chair)	Automobile Club of Southern California	Manager of Government & Community Affairs	Highway User Groups
Jim Beall	California Senate	Senator	Legislature
David Chiu	California Assembly	Assemblymember	Legislature
Lisa Bartlett	Orange County Board of Supervisors	Supervisor	Regional Transportation Agency
Susan Ornelas	City of Arcata	Mayor	Regional Transportation Agency
Terry Benzel	USC Information Sciences Institute	Director	Data Security and Privacy Industry
Loren Kaye	Foundation for Commerce and Education	President	Business and Economy
Richard Marcantonio	Public Advocates, Inc.	Managing Attorney	Social Equity
Pam O'Connor	City of Santa Monica	Councilmember	Regional Transportation Agency
Robert Poythress	County of Madera	Supervisor	Regional Transportation Agency
Eric Sauer	California Trucking Association	Sr. Vice-President of Policy & Government Relations	Highway User Groups
Lee Tien	Electronic Frontier Foundation	Senior Attorney	Privacy Rights Advocacy
Martin Wachs	UCLA Luskin School of Public Affairs	Professor Emeritus of Urban Planning	National Research and Policymaking
Vacant	TBD	TBD	Telecommunications Industry

Public Comment

Public Comments will be solicited from members of the public attending the meeting.

Memorandum

To: CHAIR AND MEMBERS

CTC Meeting: November 16, 2018

Reference No.: 3
Action

Published Date: November 6, 2018

From: SUSAN BRANSEN
Executive Director

Prepared By: Jennifer Valeros
Assoc. Governmental
Program Analyst

Subject: **APPROVAL OF MINUTES FOR APRIL 20, 2018 TAC MEETING**

ISSUE:

Should the Road Charge Technical Advisory Committee (TAC) approve the meeting minutes for the April 20, 2018 TAC meeting?

RECOMMENDATION:

Staff recommends the Road Charge TAC approve the meeting minutes for the April 20, 2018 TAC meeting

BACKGROUND:

California Code of Regulations, Title 21 CA ADC §8012, requires that:

The commission shall keep accurate minutes of all meetings and make them available to the public. The original copy of the minutes is that signed by the executive secretary and is the evidence of taking any action at a meeting. All resolutions adopted at a meeting shall be entered in the text of the minutes by reference.

In compliance with Title 21 CA ADC §8012, the Commission's Operating Procedures (May 11, 2011) require that as an order of business, minutes of the proceedings of a Standing or Special Committee of the Commission shall be kept, and the minutes from the last meeting shall be approved by the Commission.

Attachment:

A. April 20, 2018 Meeting Minutes

MINUTES

California Road Charge Technical Advisory Committee (TAC)
Friday, April 20, 2018
California Department of Transportation-District 11
Garcia Auditorium
4050 Taylor Street, San Diego, CA 92110
10:00 AM to 2:30 PM

For a detailed review of this meeting please view the archived webcast: http://ctc.dot.ca.gov/webcast/roadcharge/vod_roadcharge.asp

Agenda Item		Responsible Party		Item Status
1. Roll Call		Jim Madaffer, Chair	10:00	I
Chair Jim Madaffer	Present	Richard Marcantonio	Present	
Vice-Chair Stephen Finnegan	Present	Pam O'Connor	Present	
Senator Jim Beall	Absent	Susan Ornelas	Present	
Lisa Bartlett	Absent	Robert Poythress	Absent	
Assembly Member David Chiu	Absent	Eric Sauer	Present	
Terry Benzel	Present	Lee Tien	Absent	
Nidhi Kalra	Present	Martin Wachs	Present	
Loren Kaye	Present			

2. Public Comment*	Jim Madaffer	10:05	I
---------------------------	---------------------	-------	---

No public comments were provided at this time.

3. Approval of Minutes for December 8, 2017 TAC Meeting and Review of December Action Items	Jim Madaffer	10:10	A
--	---------------------	-------	---

Motion: Finnegan

Second: Marcantonio

Action Taken: Approved

Vote Results 10-0

Recused: None

Absent: Bartlett, Beall, Chiu, Poythress, and Tien

Ayes: Benzel, Finnegan, Madaffer, Kalra, Marcantonio, O'Conner, Ornelas, Sauer, and Wachs

Nays: None

Abstained: Kaye

4. Member Reports	Jim Madaffer	10:15	I
--------------------------	---------------------	-------	---

Reports and comments were provided by members: Chair Jim Madaffer, Susan Ornelas, Vice-Chair Steve Finnegan, Nidhi Kalra, Loren Kaye, Eric Sauer, and Pam O'Conner.

5. Overview of Today's Meeting	Jim Madaffer	10:20	I
---------------------------------------	---------------------	-------	---

Road Charge Technical Advisory Committee Chair Madaffer presented this informational item.

6. Senate Bill 1328 Overview	Garth Hopkins, CTC	10:25	A
-------------------------------------	---------------------------	-------	---

Motion: Finnegan

Second: Ornelas

Action Taken: Approved

Vote Results 9-0

Recused: None

Absent: Bartlett, Beall, Chiu, Poythress, and Tien

Ayes: Benzel, Finnegan, Madaffer, Kaye, Marcantonio, O'Conner, Ornelas, Sauer, and Wachs

Nays: None

Abstained: Kalra

7. Senate Bill 1 Update	Garth Hopkins	10:30	I
--------------------------------	----------------------	-------	---

California Transportation Commission Deputy Director Garth Hopkins presented this informational item.

8. Caltrans Update on Road Charge Activities	Brady Tacdol, Caltrans	10:40	I
---	-------------------------------	-------	---

California Department of Transportation Acting Chief Financial Officer Steven Keck and Acting Road Charge Pilot Program Manager Brady Tacdol presented this informational item.

Questions and comments were provided by members: Chair Jim Madaffer, Martin Wachs, Susan Ornelas, Loren Kaye, Richard Marcantonio, Vice-Chair Steve Finnegan, and Nidhi Kalra.

9. Oregon Road Charge Update	Maureen Bock Oregon Dept. of Transportation	10:50	I
-------------------------------------	--	-------	---

Oregon Department of Transportation OReGo Program Manager Maureen Bock presented this informational item.

Questions and comments were provided by members: Vice-Chair Steve Finnegan, Terry Benzel, Nidhi Kalra, Richard Marcantonio, and Loren Kaye.

10. Panel Discussion on Possible Implementation of Road Charge for Autonomous and Zero-Emission Vehicles; Commercial and Government Fleets	Joshua Cunningham Calif. Air Resources Board Eric Sauer Calif. Trucking Association Laura Bisesto Lyft Evan Speer Calif. Dept. of General Services	11:00	I
---	--	-------	---

California Transportation Commission Deputy Director Garth Hopkins moderated the panel for this informational item.

Questions and comments were provided by members: Chair Jim Madaffer, Vice-Chair Steve Finnegan, Loren Kaye, Terry Benzel, Richard Marcantonio, Susan Ornelas, and Nidhi Kalra.

11. Lunch		noon	
------------------	--	------	--

12. Update on Research to Assess Fees on Zero-Emission and Low-Emission Vehicles for Transportation Improvements	Alan Jenn UC Davis Institute of Transportation Studies	1:00	I
---	--	------	---

University of California Davis Postdoctoral Researcher for Sustainable Transportation Energy Pathways Alan Jenn presented this informational item.

13. Panel Discussion on Administration, Revenue Collection, and Enforcement	Tim Ford Calif. Department of Tax and Fee Administration Maureen Bock Oregon Dept. of Transportation Susan Martinovich CH2M Andrew Conway Calif. Dept. of Motor Vehicles	1:10	I
--	---	------	---

California Transportation Commission Deputy Director Garth Hopkins moderated the panel for this informational item.

Questions and comments were provided by members: Chair Jim Madaffer, Vice-Chair Steve Finnegan, and Terry Benzel.

14. Review of Action Items	Jim Madaffer	2:10	A
-----------------------------------	---------------------	------	---

California Transportation Commission Deputy Director Garth Hopkins presented the following action items:

Action Items included:

- Commission and the California Air Resources Board staff should discuss and possibly coordinate collection of data.
- Caltrans staff will provide information to the TAC members about the first vehicle charging road in Sweden.

15. Public Comment*	Jim Madaffer	2:15	I
----------------------------	---------------------	------	---

No public comments were provided at this time.

16. Adjourn	Jim Madaffer	2:30	
--------------------	---------------------	------	--

Meeting Adjourned at 1:59 pm

For a detailed review of this meeting please view the archived webcast: http://ctc.dot.ca.gov/webcast/roadcharge/vod_roadcharge.asp

Future Road Charge TAC Meeting Dates:

- Friday, September 7, 2018 – Los Angeles
- Friday, November 16, 2018 – Sacramento



Susan Bransen, Executive Director



Date

TAC Member Reports

TAC members will provide verbal reports to the Committee at the meeting.

Overview of Today's Meeting

The Chair will provide a verbal overview of the meeting.

Memorandum

TAB 6

To: CHAIR AND MEMBERS

TAC Meeting: November 16, 2018

Reference No.: 6
Information

Published Date: November 6, 2018

From: SUSAN BRANSEN
Executive Director

Prepared By: Garth Hopkins
Deputy Director
Jofil Borja
Assistant Deputy Director

Subject: **SENATE BILL 1328 (BEALL) AND DISCUSSION ON POSSIBLE ROAD CHARGE
TAC FOCUS TOPICS IN 2019**

SUMMARY:

Road Charge Technical Advisory Committee members will receive an update on California's Senate Bill (SB) 1328 (Beall, Statute of 2018), and consider TAC focus areas for 2019.

BACKGROUND:

SB 1077 established the Road Charge Technical Advisory Committee in 2014 to study road charge alternatives to the gas tax, gather public comment, and make recommendations to the California State Transportation Agency (CalSTA) regarding the design of a road charge pilot program.

SB 1328 was signed by the Governor on September 22, 2018. This legislation extends the operation of the Road Charge Technical Advisory Committee provisions to January 1, 2023 and requires the technical advisory committee to continue assessing the potential for mileage-based revenue collection for California's roads and highways as an alternative to the gas tax system. Copies of SB 1328 and SB 1077 are attached for reference.

Also attached is a draft list of 2019 Road Charge focus areas for TAC consideration. The attached list is broken down into two general areas: 1) High-level policy areas of interest to the TAC, and; 2) Specific agenda topics for upcoming TAC meetings.

Attachments:

- A) SB 1328 (Beall, 2018)
- B) SB 1077 (DeSaulnier, 2014)
- C) Draft 2019 Road Charge TAC Focus Areas

Senate Bill No. 1328

CHAPTER 698

An act to amend Sections 3090 and 3093 of the Vehicle Code, relating to vehicles.

[Approved by Governor September 22, 2018. Filed with
Secretary of State September 22, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1328, Beall. Mileage-based road usage fee.

Existing law requires the Chair of the California Transportation Commission to create a Road Usage Charge (RUC) Technical Advisory Committee in consultation with the Secretary of the Transportation Agency. Under existing law, the purpose of the technical advisory committee is to guide the development and evaluation of a pilot program to assess the potential for mileage-based revenue collection as an alternative to the gas tax system. Existing law requires the technical advisory committee to study RUC alternatives to the gas tax, gather public comment on issues and concerns related to the pilot program, and to make recommendations to the Secretary of the Transportation Agency on the design of a pilot program, as specified. Existing law repeals these provisions on January 1, 2019.

This bill would extend the operation of these provisions until January 1, 2023. The bill would, in addition, require the technical advisory committee to continue to assess the potential for mechanisms, including, but not limited to, a mileage-based revenue collection system, to use as alternative methods to the existing gas tax system for generating the revenue necessary to maintain and operate the state's transportation system. The bill would, instead, require the committee to gather public comment related to the assessment of those mechanisms.

The people of the State of California do enact as follows:

SECTION 1. Section 3090 of the Vehicle Code is amended to read:

3090. (a) The Chair of the California Transportation Commission shall create, in consultation with the Secretary of the Transportation Agency, a Road Usage Charge (RUC) Technical Advisory Committee.

(b) (1) The purpose of the technical advisory committee is to guide the development and evaluation of a pilot program to assess the potential for mileage-based revenue collection for California's roads and highways as an alternative to the gas tax system.

(2) Commencing January 1, 2019, the technical advisory committee shall continue to assess the potential for mechanisms, including, but not limited

to, a mileage-based revenue collection system, to use as alternative methods to the existing gas tax system for generating the revenue necessary to maintain and operate the state's transportation system.

(c) The technical advisory committee shall consist of 15 members. In selecting the members of the technical advisory committee, the chair shall consider individuals who are representative of the telecommunications industry, highway user groups, the data security and privacy industry, privacy rights advocacy organizations, regional transportation agencies, national research and policymaking bodies, including, but not limited to, the Transportation Research Board and the American Association of State Highway and Transportation Officials, Members of the Legislature, and other relevant stakeholders as determined by the chair.

(d) Pursuant to Section 14512 of the Government Code, the technical advisory committee may request the Department of Transportation to perform such work as the technical advisory committee deems necessary to carry out its duties and responsibilities.

(e) The technical advisory committee shall study RUC alternatives to the gas tax. The technical advisory committee shall gather public comment related to the activities described in subdivision (b) and shall make recommendations to the Secretary of the Transportation Agency on the design of a pilot program to test alternative RUC approaches. The technical advisory committee may also make recommendations on the criteria to be used to evaluate the pilot program.

(f) In studying alternatives to the current gas tax system and developing recommendations on the design of a pilot program to test alternative RUC approaches pursuant to subdivision (e), the technical advisory committee shall take all of the following into consideration:

(1) The availability, adaptability, reliability, and security of methods that might be used in recording and reporting highway use.

(2) The necessity of protecting all personally identifiable information used in reporting highway use.

(3) The ease and cost of recording and reporting highway use.

(4) The ease and cost of administering the collection of taxes and fees as an alternative to the current system of taxing highway use through motor vehicle fuel taxes.

(5) Effective methods of maintaining compliance.

(6) The ease of reidentifying location data, even when personally identifiable information has been removed from the data.

(7) Increased privacy concerns when location data is used in conjunction with other technologies.

(8) Public and private agency access, including law enforcement, to data collected and stored for purposes of the RUC to ensure individual privacy rights are protected pursuant to Section 1 of Article I of the California Constitution.

(g) The technical advisory committee shall consult with highway users and transportation stakeholders, including representatives of vehicle users,

vehicle manufacturers, and fuel distributors as part of its duties pursuant to subdivision (f).

SEC. 2. Section 3093 of the Vehicle Code is amended to read:

3093. This chapter shall remain in effect only until January 1, 2023, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2023, deletes or extends that date.

Senate Bill No. 1077

CHAPTER 835

An act to add and repeal Chapter 7 (commencing with Section 3090) of Division 2 of, and to repeal Chapter 7 (commencing with former Section 3100) of Division 2 of, the Vehicle Code, relating to vehicles.

[Approved by Governor September 29, 2014. Filed with
Secretary of State September 29, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1077, DeSaulnier. Vehicles: road usage charge pilot program.

Existing law establishes the Transportation Agency, which consists of the Department of the California Highway Patrol, the California Transportation Commission, the Department of Motor Vehicles, the Department of Transportation, the High-Speed Rail Authority, and the Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun.

This bill would require the Chair of the California Transportation Commission to create a Road Usage Charge (RUC) Technical Advisory Committee in consultation with the Secretary of the Transportation Agency. The bill would require the technical advisory committee to study RUC alternatives to the gas tax and to make recommendations to the Secretary of the Transportation Agency on the design of a pilot program, as specified. The bill would also authorize the technical advisory committee to make recommendations on the criteria to be used to evaluate the pilot program. The bill would require the technical advisory committee to consult with specified entities and to consider certain factors in carrying out its duties. The bill would require the Transportation Agency, based on the recommendations of the technical advisory committee, to implement a pilot program to identify and evaluate issues related to the potential implementation of an RUC program in California by January 1, 2017. The bill would require the agency to prepare and submit a report of its findings to the technical advisory committee, the commission, and the appropriate fiscal and policy committees of the Legislature by no later than June 30, 2018, as specified. The bill would also require the commission to include its recommendations regarding the pilot program in its annual report to the Legislature, as specified. The bill would repeal these provisions on January 1, 2019.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) An efficient transportation system is critical for California's economy and quality of life.

(b) The revenues currently available for highways and local roads are inadequate to preserve and maintain existing infrastructure and to provide funds for improvements that would reduce congestion and improve service.

(c) The gas tax is an ineffective mechanism for meeting California's long-term revenue needs because it will steadily generate less revenue as cars become more fuel efficient and alternative sources of fuel are identified. By 2030, as much as half of the revenue that could have been collected will be lost to fuel efficiency. Additionally, bundling fees for roads and highways into the gas tax makes it difficult for users to understand the amount they are paying for roads and highways.

(d) Other states have begun to explore the potential for a road usage charge to replace traditional gas taxes, including the State of Oregon, which established the first permanent road user charge program in the nation.

(e) Road usage charging is a policy whereby motorists pay for the use of the roadway network based on the distance they travel. Drivers pay the same rate per mile driven, regardless of what part of the roadway network they use.

(f) A road usage charge program has the potential to distribute the gas tax burden across all vehicles regardless of fuel source and to minimize the impact of the current regressive gas tax structure.

(g) Experience to date in other states across the nation demonstrates that mileage-based charges can be implemented in a way that ensures data security and maximum privacy protection for drivers.

(h) It is therefore important that the state begin to explore alternative revenue sources that may be implemented in lieu of the antiquated gas tax structure now in place.

(i) Any exploration of alternative revenue sources shall take privacy implications into account, especially with regard to location data. Travel locations or patterns shall not be reported, and legal and technical safeguards shall protect personal information.

SEC. 2. Chapter 7 (commencing with Section 3090) is added to Division 2 of the Vehicle Code, to read:

CHAPTER 7. ROAD USAGE CHARGE PILOT PROGRAM

3090. (a) The Chair of the California Transportation Commission shall create, in consultation with the Secretary of the Transportation Agency, a Road Usage Charge (RUC) Technical Advisory Committee.

(b) The purpose of the technical advisory committee is to guide the development and evaluation of a pilot program to assess the potential for mileage-based revenue collection for California's roads and highways as an alternative to the gas tax system.

(c) The technical advisory committee shall consist of 15 members. In selecting the members of the technical advisory committee, the chair shall

consider individuals who are representative of the telecommunications industry, highway user groups, the data security and privacy industry, privacy rights advocacy organizations, regional transportation agencies, national research and policymaking bodies, including, but not limited to, the Transportation Research Board and the American Association of State Highway and Transportation Officials, Members of the Legislature, and other relevant stakeholders as determined by the chair.

(d) Pursuant to Section 14512 of the Government Code, the technical advisory committee may request the Department of Transportation to perform such work as the technical advisory committee deems necessary to carry out its duties and responsibilities.

(e) The technical advisory committee shall study RUC alternatives to the gas tax. The technical advisory committee shall gather public comment on issues and concerns related to the pilot program and shall make recommendations to the Secretary of the Transportation Agency on the design of a pilot program to test alternative RUC approaches. The technical advisory committee may also make recommendations on the criteria to be used to evaluate the pilot program.

(f) In studying alternatives to the current gas tax system and developing recommendations on the design of a pilot program to test alternative RUC approaches pursuant to subdivision (e), the technical advisory committee shall take all of the following into consideration:

(1) The availability, adaptability, reliability, and security of methods that might be used in recording and reporting highway use.

(2) The necessity of protecting all personally identifiable information used in reporting highway use.

(3) The ease and cost of recording and reporting highway use.

(4) The ease and cost of administering the collection of taxes and fees as an alternative to the current system of taxing highway use through motor vehicle fuel taxes.

(5) Effective methods of maintaining compliance.

(6) The ease of reidentifying location data, even when personally identifiable information has been removed from the data.

(7) Increased privacy concerns when location data is used in conjunction with other technologies.

(8) Public and private agency access, including law enforcement, to data collected and stored for purposes of the RUC to ensure individual privacy rights are protected pursuant to Section 1 of Article I of the California Constitution.

(g) The technical advisory committee shall consult with highway users and transportation stakeholders, including representatives of vehicle users, vehicle manufacturers, and fuel distributors as part of its duties pursuant to subdivision (f).

3091. (a) Based on the recommendations of the RUC Technical Advisory Committee, the Transportation Agency shall implement a pilot program to identify and evaluate issues related to the potential implementation of an RUC program in California by January 1, 2017.

(b) At a minimum, the pilot program shall accomplish all of the following:

(1) Analyze alternative means of collecting road usage data, including at least one alternative that does not rely on electronic vehicle location data.

(2) Collect a minimum amount of personal information including location tracking information, necessary to implement the RUC program.

(3) Ensure that processes for collecting, managing, storing, transmitting, and destroying data are in place to protect the integrity of the data and safeguard the privacy of drivers.

(c) The agency shall not disclose, distribute, make available, sell, access, or otherwise provide for another purpose, personal information or data collected through the RUC program to any private entity or individual unless authorized by a court order, as part of a civil case, by a subpoena issued on behalf of a defendant in a criminal case, by a search warrant, or in aggregate form with all personal information removed for the purposes of academic research.

3092. (a) The Transportation Agency shall prepare and submit a report of its findings based on the results of the pilot program to the RUC Technical Advisory Committee, the California Transportation Commission, and the appropriate policy and fiscal committees of the Legislature by no later than June 30, 2018. The report shall include, but not be limited to, a discussion of all of the following issues:

(1) Cost.

(2) Privacy, including recommendations regarding public and private access, including law enforcement, to data collected and stored for purposes of the RUC to ensure individual privacy rights are protected pursuant to Section 1 of Article I of the California Constitution.

(3) Jurisdictional issues.

(4) Feasibility.

(5) Complexity.

(6) Acceptance.

(7) Use of revenues.

(8) Security and compliance, including a discussion of processes and security measures necessary to minimize fraud and tax evasion rates.

(9) Data collection technology, including a discussion of the advantages and disadvantages of various types of data collection equipment and the privacy implications and considerations of the equipment.

(10) Potential for additional driver services.

(11) Implementation issues.

(b) The California Transportation Commission shall include its recommendations regarding the pilot program in its annual report to the Legislature as specified in Sections 14535 and 14536 of the Government Code.

3093. This chapter shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.

SEC. 3. Chapter 7 (commencing with former Section 3100) of Division 2 of the Vehicle Code is repealed.

O

ATTACHMENT C

October 30, 2018

Draft 2019 Road Charge TAC Focus Areas

High-Level 2019 Policy Considerations

1. Monitor national and other state activities related to a per-mile road charge.
2. Request the California State Transportation Agency determine the feasibility and cost of instituting a long-term road charge demonstration program for all state vehicles.
3. Provide guidance/input to Caltrans on their road charge related research activities.

TAC Meeting Agenda Topics

1. Have California MPO representatives provide an overview of their proposals to institute congestion pricing programs.
2. Overview of technologies that could possibly be utilized in a road charge program. This would include the developers of products such as digital license plates piloted by the City of Sacramento.
3. Presentation on SCAG's "mobility wallet" concept.

Memorandum

TAB 7

To: CHAIR AND MEMBERS

TAC Meeting: November 16, 2018

Reference No.: 7
Action

Published Date: November 6, 2018

From: SUSAN BRANSEN
Executive Director

Prepared By: Garth Hopkins
Deputy Director

Subject: **APPROVAL OF 2018 ROAD CHARGE LEGISLATIVE RECOMMENDATIONS**

ISSUE:

Should the Road Charge Technical Advisory Committee (TAC) members approve the attached road charge legislative recommendations for the California Transportation Commission (Commission) to consider for inclusion in the Commission's 2018 Annual Report to the Legislature?

RECOMMENDATION:

Staff recommends the TAC approve the attached recommendations.

BACKGROUND:

The Commission is statutorily required to prepare an Annual Report to the Legislature which provides an overview of Commission activities and actions taken each prior fiscal year and is due to the Legislature by December 15th of each year. In addition, the Annual Report also contains recommendations for Legislative consideration. The recommendations identified are intended to recommend steps forward for California to further review and study how a road charge program could be implemented in-lieu of the existing per gallon fuel tax. The intent of a future road charge program would be to provide a one-to-one swap with the existing per gallon fuel charge.

Attachment:

A) Draft Road Charge Recommendations

THE CALIFORNIA ROAD CHARGE TECHNICAL ADVISORY COMMITTEE

Pursuant to SB 1077 (DeSaulnier, Chapter 835, Statutes of 2014) the Commission created a Road Charge Technical Advisory Committee in consultation with the Secretary of the Transportation Agency to study road charge alternatives to the gas tax and make recommendations to the Secretary of the Transportation Agency on the design of a pilot program and the criteria to be used to evaluate the pilot program. The 15-member Technical Advisory Committee established by the Commission includes membership that represents the following technical and public interest areas:

- Telecommunications;
- Highway user groups;
- Data security and privacy;
- Privacy rights advocacy organizations;
- The social equity community;
- Regional transportation agencies;
- National research and policymaking bodies (including members of the Legislature); and
- Other relevant stakeholders.

In December 2015, the Technical Advisory Committee adopted its Road Charge Pilot Design and Evaluation Criteria Recommendations to provide direction for the development of the pilot program. Caltrans designed the pilot program consistent with the Committee's recommendations. The pilot program ran for nine months from July 2016 to March 2017, during which time the Road Charge Technical Advisory Committee received regular updates. By the end of the program, over 5,000 vehicles were enrolled, and 37 million miles were reported.

Following the completion of the pilot program, the California State Transportation Agency released a final report in December 2017. This final report provided an overview of the pilot program and identified next steps regarding further study of a road charge. The full 2017 Road Charge Pilot Program Final Report is available through this link: www.californiaroadchargepilot.com/final-report.

The Transportation Agency's final report was considered by the Technical Advisory Committee for purposes of advising the Commission. By many measures, the Technical Advisory Committee and the Commission see the Road Charge Pilot Program as a success. The pilot program demonstrated a possible long-term alternative to the per-gallon fuel tax which can create stability and ensure longevity for California's transportation revenues. In addition to considering the Transportation Agency's final report, the Technical Advisory Committee also heard from subject matter experts this past year regarding the feasibility of possible implementation of a road charge for zero-emission, commercial and state government vehicles; and methods for administering a road charge program.

Transportation funding in California has changed dramatically since the Road Charge Technical Advisory Committee was created in 2014. SB 1 provided the state with a much-needed increase in funding for

transportation infrastructure and lessened the need, in the short-term, to find alternatives to the gas tax. However, in the coming years, it will be important that the Legislature look beyond the next decade toward a future when reliance on gasoline and diesel fuels for transportation will decline dramatically. As required by SB 1077, the Commission developed the below recommendations. As California moves away from a reliance on gasoline powered cars, there will be a need for the Legislature to consider a more equitable and sustainable source of transportation funding in lieu of the current per-gallon fuel tax. When that time comes, the Legislature should consider the following recommendations:

Direct the California State Transportation Agency to lead and develop a program ~~that would identify and possibly provide the equipment and software necessary~~ to implement a mandatory per mile road charge requirement for state government vehicles, autonomous vehicles, and zero-emission vehicles; and a phased-in voluntary road charge program for commercial vehicles. The road charge would replace existing per gallon fuel charges, or zero-emission vehicle registration fees, for participating vehicles.

The California State Transportation Agency along with other state agencies should be required to work with relevant stakeholder groups through a public process to develop a mandatory road charge program for all government vehicles, autonomous vehicles, and zero-emission vehicles as well as a phased-in voluntary road charge program for commercial vehicles. This program would also include the identification of any equipment and software necessary for implementation. The intent of ~~this~~these programs would be to replace the existing per gallon fuel charges, or zero-emission vehicle registration fees with a road charge for participating vehicles. The Legislature should provide authority for the state to collect revenue by mile at a rate equivalent to the current fuel excise tax rate.

The benefit of continued advancement of a road charge program will increase over time, especially in the latter half of the next decade as the fuel efficiency and the number of zero-emission vehicles will increase dramatically. Prior to any implementation of a road charge program, the California State Transportation Agency would need to ensure that critical policy issues have been addressed. These policy issues include but are not limited to: the specific per mile fee and assurances that the road charge funds will be solely dedicated for transportation and that the funding will be used in the same manner as existing fuel taxes.

The California State Transportation Agency should also begin efforts to plan for the implementation of a per mile road charge program. It is important that the Agency begin work on systems capable of supporting the implementation of a road charge program. Any systems must have the data capabilities and personal privacy protocols identified for further development or implementation of a road charge. Finally, the Legislature should require an annual report from the California State Transportation Agency on the progress of implementing a road charge program.

Additional considerations for this recommendation include:

- The road charge program may be administered by a private contractor and the California State Transportation Agency should ensure that contracts for public-private partnerships shall have an open market for certification to administer road charge accounts.
- Private account administrators may offer extra value-added services, including subscription services. The odometer reading and revenue collection will be included as a base service, covered by the program, and will not be an additional cost to the customer.
- Provide that the state will receive the minimum driver/vehicle information necessary to collect revenue and provide for enforcement. This information may be limited to Vehicle Identification Number, odometer, payment status, as determined by the California State Transportation Agency.
- Ensure driver privacy, incorporating recommendations regarding managing public and private access (including law enforcement), to data collected and stored for purposes of the road charge to ensure individual privacy rights are protected pursuant to Section 1 of Article I of the California Constitution. In addition, any collection and storage systems must conform to current requirements for cybersecurity and safety such as those outlined in the National Institute of Standards and Technology.

Assess the need for requiring all new vehicles registered for personal or commercial use in California to be equipped with telematics capable of transmitting vehicle information, including the current odometer reading necessary to institute a road charge program.

The Commission recommends that the Legislature direct the California State Transportation Agency to assess the need for and define a timeframe to establish data standards in consultation with vehicle manufacturers, as well as data security and privacy rights experts, and relevant stakeholder groups to ensure that all new vehicles are equipped with the necessary telematics to implement a road charge in the future.

One of the larger barriers to future implementation of a road charge will be the need to standardize the data stream that is produced by all vehicle manufacturers. The Legislature should require state agencies to work with the automotive industry to develop and adopt standard equipment and data formats which can be used across jurisdictions and in an open-source system of public-private partnerships. Requiring the use of this equipment will prepare all vehicles for implementation and create a platform for developing data standardization.

~~Encourage the Department of Motor Vehicles to upgrade its computer systems to enable the recording of vehicle odometer readings, and tax compliance for all~~

~~registered vehicles. Ensure security measures to address personal privacy concerns are a requirement for any computer system upgrade.~~

~~The Department of Motor Vehicles is presently dealing with several challenges associated with their existing information technology systems. As these challenges are addressed, it is important that they begin working to put systems in place that are capable of supporting the implementation of a road charge program. Any systems must have the data capabilities and personal privacy protocols identified for further development or implementation of a road charge.~~

The California State Transportation Agency should build upon prior research from the 2017 California Road Charge Pilot Program and work with the University of California to conduct an evaluation of the potential impacts to disadvantaged communities resulting from a transition to a per mile road charge program.

In partnership with the University of California, the California State Transportation Agency should conduct an evaluation of the potential impacts to disadvantaged communities resulting from a transition to a per mile road charge program and seek input from stakeholders knowledgeable in this area. This evaluation would assist the Legislature to determine if a potential road charge program would have a positive, negative, or no direct impact to disadvantaged communities.

THE CALIFORNIA ROAD CHARGE TECHNICAL ADVISORY COMMITTEE

Pursuant to SB 1077 (DeSaulnier, Chapter 835, Statutes of 2014) the Commission created a Road Charge Technical Advisory Committee in consultation with the Secretary of the Transportation Agency to study road charge alternatives to the gas tax and make recommendations to the Secretary of the Transportation Agency on the design of a pilot program and the criteria to be used to evaluate the pilot program. The 15-member Technical Advisory Committee established by the Commission includes membership that represents the following technical and public interest areas:

- Telecommunications;
- Highway user groups;
- Data security and privacy;
- Privacy rights advocacy organizations;
- The social equity community;
- Regional transportation agencies;
- National research and policymaking bodies (including members of the Legislature); and
- Other relevant stakeholders.

In December 2015, the Technical Advisory Committee adopted its Road Charge Pilot Design and Evaluation Criteria Recommendations to provide direction for the development of the pilot program. Caltrans designed the pilot program consistent with the Committee's recommendations. The pilot program ran for nine months from July 2016 to March 2017, during which time the Road Charge Technical Advisory Committee received regular updates. By the end of the program, over 5,000 vehicles were enrolled, and 37 million miles were reported.

Following the completion of the pilot program, the California State Transportation Agency released a final report in December 2017. This final report provided an overview of the pilot program and identified next steps regarding further study of a road charge. The full 2017 Road Charge Pilot Program Final Report is available through this link: www.californiaroadchargepilot.com/final-report.

The Transportation Agency's final report was considered by the Technical Advisory Committee for purposes of advising the Commission. By many measures, the Technical Advisory Committee and the Commission see the Road Charge Pilot Program as a success. The pilot program demonstrated a possible long-term alternative to the per-gallon fuel tax which can create stability and ensure longevity for California's transportation revenues. In addition to considering the Transportation Agency's final report, the Technical Advisory Committee also heard from subject matter experts this past year regarding the feasibility of possible implementation of a road charge for zero-emission, commercial and state government vehicles; and methods for administering a road charge program.

Transportation funding in California has changed dramatically since the Road Charge Technical Advisory Committee was created in 2014. SB 1 provided the state with a much-needed increase in funding for

transportation infrastructure and lessened the need, in the short-term, to find alternatives to the gas tax. However, in the coming years, it will be important that the Legislature look beyond the next decade toward a future when reliance on gasoline and diesel fuels for transportation will decline dramatically. As required by SB 1077, the Commission developed the below recommendations. As California moves away from a reliance on gasoline powered cars, there will be a need for the Legislature to consider a more equitable and sustainable source of transportation funding in lieu of the current per-gallon fuel tax. When that time comes, the Legislature should consider the following recommendations:

Direct the California State Transportation Agency to lead and develop a program to implement a mandatory per mile road charge requirement for state government vehicles, autonomous vehicles, and zero-emission vehicles; and a phased-in voluntary road charge program for commercial vehicles. The road charge would replace existing per gallon fuel charges, or zero-emission vehicle registration fees, for participating vehicles.

The California State Transportation Agency along with other state agencies should be required to work with relevant stakeholder groups through a public process to develop a mandatory road charge program for all government vehicles, autonomous vehicles, and zero-emission vehicles as well as a phased-in voluntary road charge program for commercial vehicles. This program would also include the identification of any equipment and software necessary for implementation. The intent of this program would be to replace the existing per gallon fuel charges, or zero-emission vehicle registration fees with a road charge for participating vehicles. The Legislature should provide authority for the state to collect revenue by mile at a rate equivalent to the current fuel excise tax rate.

The benefit of continued advancement of a road charge program will increase over time, especially in the latter half of the next decade as the fuel efficiency and the number of zero-emission vehicles will increase dramatically. Prior to any implementation of a road charge program, the California State Transportation Agency would need to ensure that critical policy issues have been addressed. These policy issues include but are not limited to: the specific per mile fee and assurances that the road charge funds will be solely dedicated for transportation and that the funding will be used in the same manner as existing fuel taxes.

The California State Transportation Agency should also begin efforts to plan for the implementation of a per mile road charge program. It is important that the Agency begin work on systems capable of supporting the implementation of a road charge program. Any systems must have the data capabilities and personal privacy protocols identified for further development or implementation of a road charge. Finally, the Legislature should require an annual report from the California State Transportation Agency on the progress of implementing a road charge program.

Additional considerations for this recommendation include:

- The road charge program may be administered by a private contractor and the California State Transportation Agency should ensure that contracts for public-private partnerships shall have an open market for certification to administer road charge accounts.
- Private account administrators may offer extra value-added services, including subscription services. The odometer reading and revenue collection will be included as a base service, covered by the program, and will not be an additional cost to the customer.
- Provide that the state will receive the minimum driver/vehicle information necessary to collect revenue and provide for enforcement. This information may be limited to Vehicle Identification Number, odometer, payment status, as determined by the California State Transportation Agency.
- Ensure driver privacy, incorporating recommendations regarding managing public and private access (including law enforcement), to data collected and stored for purposes of the road charge to ensure individual privacy rights are protected pursuant to Section 1 of Article I of the California Constitution. In addition, any collection and storage systems must conform to current requirements for cybersecurity and safety such as those outlined in the National Institute of Standards and Technology.

Assess the need for requiring all new vehicles registered for personal or commercial use in California to be equipped with telematics capable of transmitting vehicle information, including the current odometer reading necessary to institute a road charge program.

The Commission recommends that the Legislature direct the California State Transportation Agency to assess the need for and define a timeframe to establish data standards in consultation with vehicle manufacturers, as well as data security and privacy rights experts, and relevant stakeholder groups to ensure that all new vehicles are equipped with the necessary telematics to implement a road charge in the future.

One of the larger barriers to future implementation of a road charge will be the need to standardize the data stream that is produced by all vehicle manufacturers. The Legislature should require state agencies to work with the automotive industry to develop and adopt standard equipment and data formats which can be used across jurisdictions and in an open-source system of public-private partnerships. Requiring the use of this equipment will prepare all vehicles for implementation and create a platform for developing data standardization.

The California State Transportation Agency should build upon prior research from the 2017 California Road Charge Pilot Program and work with the University of California to conduct an evaluation of the potential impacts to disadvantaged communities resulting from a transition to a per mile road charge program.

In partnership with the University of California, the California State Transportation Agency should conduct an evaluation of the potential impacts to disadvantaged communities resulting from a transition to a per mile road charge program and seek input from stakeholders knowledgeable in this area. This evaluation would assist the Legislature to determine if a potential road charge program would have a positive, negative, or no direct impact to disadvantaged communities.

Memorandum

TAB 8

To: CHAIR AND MEMBERS

TAC Meeting: November 16, 2018

Reference No.: 8
Information

Published Date: November 6, 2018

From: SUSAN BRANSEN
Executive Director

Prepared By: Jennifer Valeros
Assoc. Governmental
Program Analyst

Subject: **UPDATE ON RESEARCH TO ASSESS FEES ON ZERO-EMISSION AND LOW-EMISSION VEHICLES FOR TRANSPORTATION IMPROVEMENTS**

SUMMARY:

Alan Jenn, Lead Researcher, University of California at Davis Institute of Transportation Studies, will provide Technical Advisory Committee members with an update on research efforts to assess methodologies to raise revenue from zero-emission and low-emission vehicles.

BACKGROUND:

Senate Bill 1 (Beall, 2017) required the University of California at Davis Institute of Transportation Studies to submit a report to the Governor and the Legislature including recommendations regarding possible methodologies to raise revenue from zero-emission and low-emission vehicles to ensure that owners of those vehicles pay their fair share of any costs borne by motorists to fund improvements to the transportation system.

Memorandum

To: CHAIR AND COMMITTEE MEMBERS
CALIFORNIA ROAD CHARGE TECHNICAL
ADVISORY COMMITTEE

TAC Meeting: November 16, 2018

Reference No.: 9
Information

From: 
STEVEN KECK
Chief Financial Officer
California Department of Transportation

Prepared by: Brady Tacdol,
Project Manager
Road Charge Pilot Program

Subject: Caltrans Road Charge Program Update

SUMMARY:

The California Department of Transportation's (Caltrans) will provide an update on current program research efforts including both California and RUC West's Fixing America's Surface Transportation (FAST) Act activities at the November 16, 2018 Road Charge Technical Advisory Committee meeting.

BACKGROUND:

Since the conclusion of the California Road Charge Pilot and release of the final report, Caltrans has continued to expand upon research efforts through the Fixing America's Surface Transportation (FAST) Act, Surface Transportation System Funding Alternatives (STSFA) grant program. Both Caltrans and RUC West have applied to the first three years of grant funding in order to research, demonstrate, and inform the feasibility of mileage-based revenue collection, or road charge.

FAST Act – STSFA Grant: Round 1

The first round of the grant program was released in 2016, which allocated \$15M for states to submit applications for pre-demonstration planning activities.

- California was awarded \$750,000 in federal funding to research a pay-at-the-pump/charge point mileage reporting concept, organizational design, and public attitude research.
- RUC West was awarded \$1.5M to conduct regional pilot planning efforts with 11 participating states.

FAST Act – STSFA Grant: Round 2

The second round of the grant program was released in 2017, making \$20 million in funding available for demonstration activities only.

- California was awarded \$1.75M in federal funding to demonstrate, via pilot, a pay-at-the-pump/charge point method of reporting and recording mileage for road charge purposes.
- RUC West was awarded \$2.59M in federal funding to demonstrate, via regional pilot, the interoperability between California and Oregon.

FAST Act – STSFA Grant: Round 3

The Notice of Funding Opportunity for the third round of STSFA funding was released on April 13, 2018 and closed July 15, 2018. Both Caltrans and RUC West submitted a grant application and awards will be announced towards the end of the calendar year.

Memorandum

TAB 10

To: CHAIR AND MEMBERS

CTC Meeting: November 16, 2018

Reference No.: 10
Action

Published Date: November 6, 2018

From: SUSAN BRANSEN
Executive Director

Prepared By: Garth Hopkins
Deputy Director

Subject: **APPROVAL OF 2019 ROAD CHARGE TAC MEETING DATES**

ISSUE:

Should the Road Charge Technical Advisory Committee (TAC) approve the proposed 2019 Road Charge TAC Meeting Dates?

RECOMMENDATION:

Staff recommends the Road Charge TAC approve the proposed 2019 Road Charge TAC Meeting Dates.

BACKGROUND:

The following dates and locations are proposed for the Road Charge TAC meetings in 2019:

- Friday, February 8, 2019
San Diego
- Friday, April 26, 2019
Bay Area
- Friday, September 13, 2019
Los Angeles
- Friday, November 8, 2019
Sacramento

Review of Action Items

Staff will provide a verbal overview and a follow-up plan for action items, parking lot items, next steps, and other matters discussed at the meeting.

Public Comment

Public Comments will be solicited from members of the public attending the meeting.